

9335
Ha 103

No 9335. N^a 103



GIVEN BY

U. S. SUPT. OF DOCUMENTS

Value

SOVIET ESPIONAGE ACTIVITIES IN CONNECTION WITH
JET PROPULSION AND AIRCRAFT

HEARINGS
BEFORE THE
COMMITTEE ON UN-AMERICAN ACTIVITIES
HOUSE OF REPRESENTATIVES
EIGHTY-FIRST CONGRESS
FIRST SESSION

JUNE 6, 1949

Printed for the use of the Committee on Un-American Activities



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1949

2893

1948



*9335.4A108

U. S. SUPERINTENDENT OF DOCUMENTS

JUL 19 1949

COMMITTEE ON UN-AMERICAN ACTIVITIES

UNITED STATES HOUSE OF REPRESENTATIVES

JOHN S. WOOD, Georgia, *Chairman*

FRANCIS E. WALTER, Pennsylvania

J. PARRELL THOMAS, New Jersey

BURR P. HARRISON, Virginia

RICHARD M. NIXON, California

JOHN McSWEENEY, Ohio

FRANCIS CASE, South Dakota

MORGAN M. MOULDER, Missouri

HAROLD H. VELDE, Illinois

FRANK S. TAVENNER, Jr., *Counsel*

LOUIS J. RUSSELL, *Senior Investigator*

JOHN W. CARRINGTON, *Clerk of Committee*

BENJAMIN MANDEL, *Director of Research*

TABLE OF CONTENTS

	Page
Testimony of—	
Franey, Leona Vivian-----	102
Franey, Joseph John-----	111
Haas, Loren G-----	116

SOVIET ESPIONAGE ACTIVITIES IN CONNECTION WITH JET PROPULSION AND AIRCRAFT

MONDAY, JUNE 6, 1949

UNITED STATES HOUSE OF REPRESENTATIVES,
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, D. C.

The Committee on Un-American Activities met pursuant to call at 10:30 a. m. in room 226, Old House Office Building, Hon. Francis E. Walter presiding.

Committee members present: Representative Francis E. Walter, John McSweeney, Morgan M. Moulder, Richard M. Nixon, and Harold H. Velde.

Staff members present: Frank S. Tavenner, Jr., counsel; Louis J. Russell, senior investigator; William A. Wheeler and Courtney Owens, investigators; John W. Carrington, clerk; and A. S. Poore, editor.

Mr. WALTER. The committee will come to order.

Mr. Russell, I believe you have the agenda worked out.

Mr. MOULDER. I move that we conduct the proceedings in open session.

Mr. McSWEENEY. I second the motion.

Mr. WALTER. It has been properly moved and seconded that the proceedings be conducted in open session. All in favor signify by saying "Aye."

("Ayes" by Mr. McSweeney, Mr. Moulder, Mr. Nixon, and Mr. Velde.)

Mr. WALTER. Opposed, "No."

(No response.)

Mr. WALTER. So ordered.

Mr. TAVENNER. I might say that several of these witnesses will probably mention names of individuals who have not been investigated, and it might be proper that questions relating to those matters be in closed session, as distinguished from their testimony generally.

Mr. WALTER. We will leave that to your discretion.

Mr. TAVENNER. Mr. and Mrs. Franey.

Mr. WALTER. Will they both testify?

Mr. TAVENNER. Yes.

Mr. WALTER. Will you raise your right hands, please. Do you both solemnly swear the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FRANEY (Joseph John). I do.

Mrs. FRANEY (Leona Vivian). I do.

SWORN TESTIMONY OF LEONA VIVIAN FRANEY

Mr. TAVENNER. Mrs. Franey, will you state your full name?

Mrs. FRANEY. Leona Vivian Franey.

Mr. TAVENNER. What is your present address?

Mrs. FRANEY. 200 Sixtieth Street, Niagara Falls, N. Y.

Mr. TAVENNER. Where were you born?

Mrs. FRANEY. Dixon City, Pa.

Mr. TAVENNER. Will you give the committee a brief résumé of your employment background?

Mrs. FRANEY. In 1930 I was hired by the Scranton school district in the capacity of a clerk. I worked there until 1942. During that period of time I was promoted to secretary to the principal. In June 1942 I left to go to Niagara Falls.

I started to work at Bell Aircraft in August 1942, to establish a library. They had no engineering technical library at the time.

Mr. TAVENNER. Just a moment. Explain to us the nature of this library where you worked. It was a library of what type of books and periodicals and records?

Mrs. FRANEY. Well, as I said, it was an engineering technical library. Most of it constitutes reports, which, of course, are classified. Contrary to some other libraries, the books are not as important as the reports are, of course.

Mr. WALTER. What was the nature of the reports?

Mrs. FRANEY. These reports emanate from our National Advisory Committee for Aeronautics, the War Department, all of the bureaus under it, the Bureau of Ordnance, and at the present time most of them emanate from the manufacturers which have Government contracts for guided missiles.

Mr. TAVENNER. When did your employment in that capacity begin and end, if it has ended?

Mrs. FRANEY. It began August 3, 1942, and I am still employed.

Mr. TAVENNER. I hand you a photograph and ask you if you are able to identify it?

Mrs. FRANEY. Yes.

Mr. TAVENNER. Whose photograph is that?

Mrs. FRANEY. Andrei V. Schevchenko.

Mr. TAVENNER. Mr. Chairman, the records of our committee show that Andrei Schevchenko is a Russian citizen who was born at Kharkov, Russia, on November 24, 1906. In 1936 and 1937 he was a student at the Aviation Institute at Moscow. His employment background reflects that he was engaged as an engineer in the Peoples Commissariat of Aviation Industry in Moscow.

He entered the United States on June 19, 1942, and until September 15, 1945, as an engineer he represented the aviation department of the Soviet Purchasing Commission. During the above period of time, he acted as liaison man between Bell Aircraft Corp., Buffalo, N. Y., and the Soviet Government.

On September 15, 1945, the Russian Government transferred the subject individual to the Amtorg Trading Corp., New York City. His date of departure from the United States was on January 2, 1946, and his present whereabouts and occupational assignment are unknown.

Mr. WALTER. Do the records disclose whether or not Bell Aircraft were making airplanes that we were sending to Russia under lend-lease?

Mr. TAVENNER. I think this testimony will develop the type of aircraft that the Russian agent was interested in purchasing.

Mr. WALTER. Very well.

Mr. TAVENNER. Was Mr. Schevchenko known to you as a representative of the Russian Government?

Mrs. FRANEY. Yes, sir.

Mr. TAVENNER. In what capacity?

Mrs. FRANEY. He was purchasing agent.

Mr. TAVENNER. When did you meet him?

Mrs. FRANEY. It was October 1942.

Mr. TAVENNER. Will you state to the committee the circumstances surrounding your meeting with Mr. Schevchenko?

Mrs. FRANEY. In October 1942, Bell Aircraft moved to a new plant which is located on the Niagara Falls Boulevard, and of course they included provisions for our library. At that time there was nothing in the library except about 25 books and 4 files containing NACA reports, and I wasn't to do any buying until we moved to the new location.

In October, Mr. Schevchenko appeared in the library and asked for some textbooks, and I gave him a few textbooks, including a copy of Diehl's Simple Aerodynamics, which you can find in any library. He took those and kept them for the limited time and returned them.

Up to that time we didn't have any highly classified material. There were a few classified reports from NACA in the files. He made no attempt to ask for them at that time. His visits were not very frequent at first, and he never asked for anything in classified data. He was merely interested in textbooks or the few periodicals we had.

The library started to grow and expand from that time on.

Mr. TAVENNER. Will you tell the committee, in your own way, what occurred in the course of your various meetings with Mr. Schevchenko?

Mrs. FRANEY. I think in the first place he started coming to the library more frequently. He bought tickets to the theater in Buffalo for the library staff. At that time the library had grown. He did not attend the theater, he merely gave the tickets to the library staff. He began to bring little presents, perfume, candy, and so on.

Finally he asked if I would go out to dinner, he wanted to meet my husband. We went to a restaurant in Buffalo. I am not positive of the name of it. We had dinner and he didn't have any leading conversation as to what he was looking for at that time. The idea was to meet my husband, that was all.

Then he asked if we would go to dinner with him again on Sunday, he wanted us to meet his wife. On Sunday he came to the Falls with the excuse his wife couldn't come; they had gone to a party the night before and she couldn't make it, and so forth. Then we sat in a park and he began talking about our going to Russia. He explained to my husband that in Russia their compensation laws are so wonderful that if you have an industrial accident of some kind they take care of you beautifully the rest of your life, and so forth. And he explained their vacation system, that you get an award if you have a high pro-

duction record, and they send their citizens to these very beautiful summer resorts, and so forth.

Up to that point he had not asked for anything classified, anything that would make you suspicious of what he was looking for. But just about that time he began asking for data on jet propulsion, and that had nothing to do with the P-39 airplanes they were buying, that had reciprocal engines. Our P-59, as you know, was the first jet-propelled airplane.

That was when the FBI contacted me. I was getting to the point where I was wondering why he was asking for material, and I had to ask the other girls in the library not to issue material on jet propulsion to him, that if he asked for it to just walk to the files and pretend the material was out, whether it was or not.

The FBI agents looked us up at that time, and from that time on we worked with them.

Mr. WALTER. At that time the material on jet propulsion was highly classified?

Mrs. FRANEY. It was at least confidential.

Mr. TAVENNER. The type of planes in which the Russian Government was interested was what type?

Mrs. FRANEY. The P-39, which is called the Airacobra.

Mr. TAVENNER. Is that the type of plane that was being constructed by Bell Aircraft at that time?

Mrs. FRANEY. Yes.

Mr. TAVENNER. Will you state what occurred with reference to requests that Mr. Schevchenko made for documents and information?

Mrs. FRANEY. At various times he asked for data on different subjects. It always seemed to me that he was prompted by someone else. If swept-back wings, however, was his particular problem, he would ask me for that particular data. If compressibility was the problem, he wanted reports on that. The first time we met him in New York City he was particularly interested in spring tabs, and wanted all the material he could get on that. He asked me for data on swept-back wings almost before our own engineers were doing work on some of it.

Mr. TAVENNER. Do you have a record of the subjects he requested information on, or the titles of documents he desired turned over to him?

Mrs. FRANEY. Yes, I have. I have a typewritten list which is actually the only written record I ever kept. He did not know the particular titles of reports, but they cover the subjects he had asked me for information on, swept-back wings and compressibility, and so forth.

Mr. TAVENNER. A statement has just been handed to you. It is not the original that you just spoke of, is it?

Mrs. FRANEY. No; it is not.

Mr. TAVENNER. Can you identify that list as being a correct list of the items which appear on your original document?

Mrs. FRANEY. Yes. This is a list which I turned over to the FBI. We used this as a priority basis. It was covering the subjects which he was very vitally interested in at that time, and we were to work on that as far as photostating was concerned. We started, of course, with the unclassified reports, and then worked up to the confidential. This contains a list of titles of reports on high-speed measure-

ments on a swept-back wing, landing-gear design considerations, and so forth.

Mr. TAVENNER. When did you prepare the list?

Mrs. FRANEY. In the summer of 1945.

Mr. TAVENNER. Mr. Chairman, I just have received an emergency telephone call. I think possibly I should answer it.

Mr. WALTER. Very well.

Mr. TAVENNER. In the meantime, may I ask the witness to see if she can locate the original document.

(Short recess.)

Mr. TAVENNER. Mrs. Franey, I believe you have the original report in front of you?

Mrs. FRANEY. Yes, I have.

Mr. TAVENNER. Will you tell us when that was prepared?

Mrs. FRANEY. In the summer of 1945.

Mr. TAVENNER. Explain to the committee your reason for preparing that, and how it happened that you prepared it.

Mrs. FRANEY. In July 1945 when we went to New York and met Mr. Schevchenko, he listed the subjects in which he was interested, and of course when I came back and contacted the FBI, we thought it was a good idea to make a list of reports covering those subjects, with their classification, to give us a basis on which to work for photostating.

Mr. TAVENNER. I will ask you more about the photostating presently. That is an accurate list, then, of information which Mr. Schevchenko asked you to produce?

Mrs. FRANEY. Yes.

Mr. TAVENNER. Was that request made at one time, or was it made from time to time?

Mrs. FRANEY. This specific request was made at one time.

Mr. TAVENNER. There were other requests, then?

Mrs. FRANEY. Yes, there were others. Sometimes it was almost on a daily basis, and at other times it would be on a weekly or semi-weekly basis.

Mr. TAVENNER. And in each instance did you advise the Federal Bureau of Investigation of the request?

Mrs. FRANEY. Yes.

Mr. TAVENNER. I desire to introduce that document in evidence and have it marked "Franey exhibit 1."

Mr. WALTER. It will be received.

Mr. TAVENNER. And I request that it be incorporated in the record at this point.

Mr. WALTER. So ordered.

(The document above referred to, marked "Franey exhibit 1," is included at the end of this hearing.)

Mr. TAVENNER. Mrs. Franey, you have stated that the request was made for those particular documents. Will you state just how Mr. Schevchenko made the request, whether by document number, by title, or just general description?

Mrs. FRANEY. At one time he asked just by general description or subject matter. Toward the end of 1945 he would ask for a NACA report actually by the NACA arbitrary number.

Mr. TAVENNER. Tell the committee what you mean by NACA report.

Mrs. FRANEY. It is our National Advisory Committee for Aeronautics report. Most of those reports are classified, and they have a code which they use. For instance, 8A10; the 8 would signify the report was written in 1948; the A would be January; and 10 would be the number of the report written during January 1948. Mr. Schevchenko even knew those numbers by the end of 1945, and they would be numbers of reports which we had not even received yet in the library.

Mr. WALTER. Those code numbers were devised somewhere else?

Mrs. FRANEY. By NACA; yes.

Mr. WALTER. So that when he asked for a document by code number, he was asking for a number that had been fixed for that particular document in Washington?

Mrs. FRANEY. He actually had seen a list which gave the code number of that report.

Mr. MOULDER. Did you have that report at that time yourself?

Mrs. FRANEY. Not at that time.

Mr. TAVENNER. About how long after the receipt from Mr. Schevchenko of the request would the document be received in your library?

Mrs. FRANEY. From 2 weeks to 2 months.

Mr. TAVENNER. The code numbers that were assigned to various reports that are described on your list were assigned to the documents by what branch of the Government?

Mr. FRANEY. They are assigned by the National Advisory Committee for Aeronautics, I presume.

Mr. TAVENNER. Located where?

Mrs. FRANEY. 1724 F Street NW. Of course they circulate accession lists which are classified, from which he may have gotten that number.

Mr. TAVENNER. Tell the committee what you mean by circulation of the list.

Mrs. FRANEY. They simply make a list of all the reports which have been issued during a specified period.

Mr. TAVENNER. And how is that list disseminated?

Mrs. FRANEY. It is disseminated to authorized agents, who would be most of the aircraft companies, of course, and anyone actually who was doing any aeronautical research.

Mr. TAVENNER. The lists of the documents themselves are not considered classified material?

Mrs. FRANEY. They are classified; yes.

Mr. TAVENNER. Did you make an examination of each of these documents at the time they arrived, and before turning them over to the Federal Bureau of Investigation, to determine what classification they had; that is, whether classified, confidential, or any other classification?

Mrs. FRANEY. Yes; I did.

Mr. TAVENNER. Does the classification appear on your list?

Mrs. FRANEY. Yes; it does.

Mr. TAVENNER. Will you let me see the list?

(Franey exhibit 1 was handed to Mr. Tavenner.)

Mr. TAVENNER. The first column on your list, which is Franey Exhibit 1, shows the classification of each document. Did you put that on the report at the time you prepared it?

Mrs. FRANEY. Yes; I did.

Mr. TAVENNER. And then the second column, which is the center column, shows the title of the material.

Mrs. FRANEY. Yes.

Mr. TAVENNER. And the third column shows what information?

Mrs. FRANEY. That is the source of the report and the report number.

Mr. TAVENNER. Do I understand you to say that Mr. Schevchenko knew the code numbers in some instances, and the subject matter or title in other instances?

Mrs. FRANEY. He never gave me the exact title. He would tell me the general subject matter.

Mr. TAVENNER. Will you state what arrangement was made by Mr. Schevchenko with you and your husband as to how this material was to be furnished him?

Mrs. FRANEY. Well, in July 1945, on our vacation week, he invited us to stay at his apartment because he was out at Rye Beach. He never would talk in the apartment. Once we got in he always pointed to the walls, meaning, I suppose, there might be microphones concealed. He always talked in the open. He took us to Central Park and said he was interested in obtaining 35-millimeter microfilm of classified reports. He told us he would give us a camera before we went home. I was to take the documents home and my husband was to photostat them, and he promised he would pay \$25 to \$30 for each report we would photostat, and he would not limit the number as long as they covered the particular subject in which he was interested.

Mr. TAVENNER. Did you furnish the reports to him on that basis?

Mrs. FRANEY. We furnished microfilm on some of the reports, but on unclassified ones. The first shipment was all unclassified data.

Mr. VELDE. Did you say classified or unclassified?

Mrs. FRANEY. Unclassified.

Mr. TAVENNER. Were all those matters cleared with the Federal Bureau of Investigation before they were turned over to Mr. Schevchenko?

Mr. FRANEY. All of it was done under their supervision. They used that list, as I said, on a priority basis. We chose the unclassified listed reports. We particularly chose the ones that looked very inviting, as if, from the title, they might be classified. The FBI came to the house and they actually photographed two sets. They used their own film for one set for their files, and then they used the film which Mr. Schevchenko had given us. Incidentally, that was the best film that was manufactured, and you couldn't buy it in this country. I don't think ordinary citizens could buy it at that time. Mr. Schevchenko told us it came from Russia.

Mr. TAVENNER. What kind of camera did he give you?

Mrs. FRANEY. A Contax, I think No. 1. It was one of the older models of the Contax camera.

Mr. TAVENNER. Was this material so supervised by the Federal Bureau of Investigation as to insure that you were not giving to Mr. Schevchenko information that would be harmful to this country?

Mrs. FRANEY. That is right.

Mr. TAVENNER. Did Mr. Schevchenko pay you for it? That is, did he pay for the deliveries that were made?

Mrs. FRANEY. Yes. On the delivery of that first shipment he gave us, I think, \$200 or \$250. They were all \$20 bills. He gave that at the time the film was delivered.

Mr. TAVENNER. And what was done with the money?

Mrs. FRANEY. It was given to the FBI.

Mr. TAVENNER. On how many occasions did you meet Mr. Schevchenko after you first began the delivery of these documents or photostats of these documents to him?

Mrs. FRANEY. I think I only saw him three times after he actually made arrangements; I mean, after he actually declared what he was looking for.

Mr. TAVENNER. During this period of time, did he take any precautions, to your knowledge, to prevent any disclosure that he was an agent of a foreign country?

Mrs. FRANEY. He was always very cautious. When we got in a car with him, he never would talk. He would point to the dashboard, and so forth. He never talked in a restaurant. He came to the house one time because he said the first shipment of microfilm was not clear. He was very nervous. He would stand away from the windows. He would stand in the middle of the floor. He was always very, very nervous. He smoked one cigarette after another and seldom listened to what you had to say. He liked to issue the orders and have you move as he said.

Mr. TAVENNER. Over how long a period of time did you carry on these transactions with Mr. Schevchenko?

Mrs. FRANEY. The first shipment was in the summer of 1945. We met him then periodically until just before he left the country in February 1946.

Mr. TAVENNER. Do you recall the last occasion that you saw him?

Mrs. FRANEY. Yes. The last time I saw him was at our house when he came to check on the first shipment because we had not done it to please him, and he stayed for just a short time and we had to drive him to Buffalo.

Mr. TAVENNER. How were the deliveries made to him?

Mrs. FRANEY. My husband delivered the film.

Mr. TAVENNER. How were these deliveries of film made to Mr. Schevchenko and by whom?

Mrs. FRANEY. The deliveries were made by my husband. He simply carried the 35-millimeter film, and usually traveled by airplane to New York to meet Mr. Schevchenko at his apartment.

There is one thing I probably might insert. In July 1945 when he had asked us to stay in his apartment during our vacation week, we had to go down to the Amtorg Corp. I thought that would prove very interesting, because we had guessed what that facility was doing here in the United States. That was like trying to get into a foreign country. We had to get past the reception desk and so forth. He had asked my husband to get data from the Hooker Electro-Chemical Co., and under the supervision of the FBI the officials of the company had given him a brochure of the products they manufactured, and we carried that package into the Amtorg Corp.

The first thing Mr. Schevchenko did was point to the wall, meaning we were not to talk, and we sat very, very close to him. We handed him the package and he nervously took it and unpacked it, and then

he immediately grabbed a book on the window sill which was about the same size of the package we had brought in, and we had to carry that out of the building, just as we had carried some information in.

Mr. TAVENNER. I believe, Mr. Chairman, that is all I desire to ask this witness.

Mr. WALTER. The material you made photostatic copies of was not classified; is that correct?

Mrs. FRANEY. The first shipment was all unclassified. I am not positive, but I think the second shipment included some restricted data, because of course he could not be convicted or picked up unless he actually had classified data. If he was picked up and had only unclassified film, he could say: "You can't hold me for that." The point was to build it up to confidential or secret so that he could be convicted.

Mr. WALTER. By "unclassified" you mean material available to the public generally?

Mrs. FRANEY. Yes.

Mr. WALTER. Did he ever complain that the information you were furnishing him was of no value?

Mrs. FRANEY. Yes, he did, in no uncertain terms.

Mr. MOULDER. Any questions? Mr. Moulder.

Mr. MOULDER. I understand that the associations you have described were with the cooperation of the FBI?

Mrs. FRANEY. Always.

Mr. MOULDER. Did the FBI contact you, or did you contact them?

Mrs. FRANEY. They contacted us, actually, just about the time when Mr. Schevchenko started to ask for information in the library which he really had no business to ask for, and I was just at that point becoming suspicious.

Mr. MOULDER. He was being investigated by the FBI?

Mrs. FRANEY. Evidently they had been having him under their surveillance.

Mr. MOULDER. That is all.

Mr. WALTER. Mr. Nixon.

Mr. NIXON. You said he had the confidential code numbers and called for documents by code numbers?

Mrs. FRANEY. Yes.

Mr. NIXON. Did he also indicate that he had these code numbers even before Bell Aircraft got them?

Mrs. FRANEY. Yes.

Mr. NIXON. And sometimes even as much as a month before you received them?

Mrs. FRANEY. Yes.

Mr. NIXON. Where did you get these code numbers from in Washington?

Mrs. FRANEY. When I received them they came directly from the National Advisory Committee for Aeronautics.

Mr. NIXON. In Washington?

Mrs. FRANEY. Yes. They are sent out monthly. They are monthly lists.

Mr. NIXON. Were the lists classified?

Mrs. FRANEY. If they contained classified documents they were stamped "Restricted." Usually the first page is classified documents.

Mr. NIXON. Did Mr. Schevchenko at any time ask you for confidential documents by code number?

Mrs. FRANEY. Yes; toward the end. He had not done that in the very beginning.

Mr. NIXON. In other words, at the end he in some way obtaining access to these lists?

Mrs. FRANEY. Yes.

Mr. NIXON. Confidential lists?

Mrs. FRANEY. That is right. Either that or there may have been someone stationed at some other point where they got the reports earlier than we did as an aircraft company. I have no basis to even know this, but you know his cohort, Nicolai Ostrofsky, was a military man, and he very often went to Wright Field at Dayton, Ohio, and I often wondered if he was working at that end and trying to find out titles of reports that were being issued.

Mr. NIXON. However the lists were obtained, whether someone got them at Wright Field or in the office in Washington, they were in their hands illegally?

Mrs. FRANEY. That is right.

Mr. NIXON. Because they contained confidential information?

Mrs. FRANEY. That is right.

Mr. NIXON. So, as I understand it, the implication from your testimony is that at some other point, either at Wright Field or in Washington, they were successful in getting some individual employed at Wright Field or in Washington to turn over information of this kind to them?

Mrs. FRANEY. The first time I noticed that it was so alarming, because one of the first reports that was issued on compressibility was a particular one he asked me for, and it was one that was very important at that time and which most of our engineers were very glad to receive.

Mr. NIXON. Do you know whether or not the individual who was responsible for turning over these reports, either to Mr. Schevchenko or to some other Russian agent, has been apprehended or was apprehended?

Mrs. FRANEY. I have no idea.

Mr. NIXON. You have never discussed that with the Bureau agents?

Mrs. FRANEY. No.

Mr. NIXON. That is all.

Mr. WALTER. Mr. Velde.

Mr. VELDE. Did Mr. Schevchenko speak English fluently?

Mrs. FRANEY. Not at the beginning. In 1942 he was very difficult to understand. But by 1945 he spoke more clearly.

Mr. VELDE. At the time you and your husband were approached to act as agents to get these confidential documents photographed, did Mr. Schevchenko indicate to you that you were acting on behalf of the Russian Government, or that you were to act on behalf of the Russian Government—realizing that you are a loyal American and were working with the FBI.

Mrs. FRANEY. You mean that Mr. Schevchenko thought that we were?

Mr. VELDE. Did he leave you with that impression?

Mrs. FRANEY. We were just helping a wonderful ally.

Mr. VELDE. That is the general impression he left with you as to why you should give him these confidential documents? Did he leave with you the impression you were doing anything wrong?

Mrs. FRANEY. No. The idea was, he worked so hard, he worked all night, on the problems and couldn't solve them.

Mr. VELDE. You are not familiar with the circumstances surrounding his disappearance from the country?

Mrs. FRANEY. I don't know anything except the date he left. I know the FBI called me at work to tell me he had just left the country and had gotten out of the country without being convicted.

Mr. VELDE. He was never arrested?

Mrs. FRANEY. Never.

Mr. VELDE. That is all.

Mr. WALTER. Any further questions?

Mr. TAVENNER. That is all, Mr. Chairman.

Now I would like to ask a few questions of Mr. Franey.

Mr. WALTER. Proceed.

SWORN TESTIMONY OF JOSEPH JOHN FRANEY

Mr. TAVENNER. What is your full name?

Mr. FRANEY. Joseph John Franey.

Mr. TAVENNER. Where do you live?

Mr. FRANEY. 200 Sixtieth Street, Niagara Falls, N. Y.

Mr. TAVENNER. Where are you employed?

Mr. FRANEY. Hooker Electro-Chemical Co., as rubber repair man.

Mr. TAVENNER. Is that the company with which you have been employed since the beginning of the negotiations with Mr. Schevchenko?

Mr. FRANEY. Yes. I have been there since 1942.

Mr. TAVENNER. Will you tell the committee just what occurred—without repeating too much in detail what your wife has stated—with reference to your dealings with Mr. Schevchenko?

Mr. FRANEY. In 1942, after my wife started working at Bell Aircraft, she came home at different times on different days and told me about this Russian, about his coming up and asking her to help him out with his English, and so on, and that she said "Yes" through sympathy more than anything. So he asked my wife if I was in the service, and she said "No." He wanted to know where I worked, and she said: "He works at a chemical factory in Niagara Falls." And she told him it was the Hooker Electro-Chemical Co.

He asked if we would go out for dinner with him. We had dinner this one evening at Buffalo. Then he asked if we would have dinner the following Sunday, which we did.

The following week the FBI men came to the plant and talked to me, and I told them, after I found out what they wanted, that they were there about this Russian agent, that they would have to talk to my wife, that she knew more about him than I did, she had contact with him all day.

From that time on we worked right with the Federal Bureau of Investigation and tried to cooperate the best we could. I felt I could not go in the service, because they would not accept me, so I felt we could do our part by helping the FBI.

After we had dinner with him the last time we had just a few little meetings with him. I, for instance, would pick her up after work and he would be in the car. That was about the time that he was leaving the Bell Aircraft and going to New York. Then we went to New

York on our vacation. We talked to him and he talked about the camera. The following trip he sent for us—and his way of sending for us was to send us a post card with the Empire State Building on it, and that would be the cue to be in New York and meet him the following weekend, which we did. We would walk through Central Park, and at that time he asked me to have my wife get information on spring tabs, and I said I would. He presented us with the camera the following trip, and gave us information on how to take the pictures. He gave us a little typewritten card explaining about the opening of the lens, and how far to keep the camera away from the documents, and so on.

When we got the camera we came back to the Falls and turned the camera over to the Federal Bureau, and they took the camera and said they were going to send it to Washington. They had the camera checked. There was something wrong with it, and they had it repaired.

Mr. Schevchenko gave us eight or nine rolls of film, and we spoiled a few because he said there were supposed to be 36 exposures on each roll, and there were only 34, and we ran them off and spoiled practically the whole batch on the first roll of film.

The FBI would take duplicate pictures, and they said they could not buy film like the film that Mr. Schevchenko had given us, in this country.

We lived in Lewiston, a little town outside of Niagara Falls, for about 3 months. After the first and second trip the FBI wanted us to hold up and not go to New York with the film, and I said: "Well, all right, but what is the idea?" They said they got orders from Washington, and would we please cooperate and hold it up. At that time I used the excuse my wife was sick and I couldn't leave her, and we were looking for a house.

We bought a house in the Falls, and I had to make a trip at the end of September 1945, and he wasn't quite satisfied with that film, and then a week or two later he came to Niagara Falls and he wanted to see the camera. So I had the camera, and we used to use the floodlights the FBI used, and they had taken them back to their office. When Mr. Schevchenko came to our house we had no floodlights, the FBI had taken them, and I told him I had been at some relations taking moving pictures and had left the floodlights, and if he wanted them I would run out and get them. He said never mind. At that time we were in a spot, and he was very, very nervous. We took him back to Buffalo.

The next time we were supposed to go to New York, the FBI wanted us to cancel the trip again. I told them I didn't think we should cancel the trip for the simple reason he might get suspicious, because we had canceled one trip and he was very, very nervous. They said that was their orders. We talked at that time about giving up the whole affair, because it was rather nerve-racking as far as we were concerned.

Mr. Schevchenko sent a man to the Falls into our home one Sunday afternoon who was a runner, and he wanted "all the junk," he called it. This man had a letter and a brief case. We had never seen him before. I asked my wife to sit down and write Mr. Schevchenko a letter and tell him this material he wanted didn't come in and there was some microfilm coming in and it was just the stuff he wanted. That was all right. He left.

Then we got a telegram about a month or so later asking if we would come to New York. It asked me to come to New York and he wanted to interview me for a job that I was supposed to get at Amtorg Corp.

I went to his apartment and he wasn't there. He was out at school that morning. He had a class on Sunday morning. I waited about 3 hours in his apartment. His wife spoke no English at all. When he came back I handed him the film. In his apartment he would turn the radio on, and sit on a chair, and I would sit on a hassock very close to him. He went to the kitchen and opened the package immediately, and he came back and handed me \$260. Then he took me over to the park and we sat on a bench and he told me that instead of us going to New York, because he said they checked the airlines and they would get suspicious of us making so many trips to New York, he would have a runner come to Buffalo and we would meet his runner in front of Kleinhaus' [store], and we were supposed to be there on two dates. It was in December 1945, and after each trip we contacted the FBI and went over the whole trip, and the money we received we would initial and give to the FBI and at a later date they would return it to us.

We went both Saturdays that we were to meet him or his runner in front of Kleinhaus' [store] in Buffalo, and they never showed up. Later on the FBI called my wife at Bell Aircraft and told her the Russian had left the country.

Mr. TAVENNER. In your conversation with Mr. Schevchenko, did he elaborate on the type of material that he was interested in receiving?

Mr. FRANEY. He knew very well that I didn't understand aircraft at all, and he knew Leona understood it all, and he asked me to ask her for material on spring tabs. He said: "You tell her to get the data on spring tabs." I told him I would. I said: "I will get you the information. She will bring it home and I will take the pictures of the documents and return the film to you."

Mr. TAVENNER. Did he indicate any interest in other industries besides aircraft?

Mr. FRANEY. When Leona told him I worked at the Hooker Electro-Chemical Co., he was very interested at that time and he told us that there were different industrial plants in Niagara Falls that their agents were going to contact, and they were going to buy up this equipment and send it to Russia and build the same type of plants we had here. He was very interested in Hooker Electro-Chemical Co., and wanted some material, and I told the FBI agents and told him the Hooker Co. had one of the best S-type cells in the country, and furnished all the arsenals with their own cells.

At that time, which I did not know, we had several buildings built at our plant during the war and they were working on the Manhattan project. Later on I found out why the FBI was so interested in the Hooker Co., because of the Manhattan project.

Mr. TAVENNER. Did Mr. Schevchenko at any time leave information with you as to the name of any other person that you should give information to or contact in his absence?

Mr. FRANEY. No. He did to my wife.

Mr. TAVENNER. Then I would like to interrupt your testimony and ask Mrs. Franey that question.

Mr. WALTER. Very well.

Mrs. FRANEY. In February 1945 he heard someone say it was my birthday, and he wanted to know if he could take me out to dinner. He took us to a restaurant in the Falls, and there were two other people there at that time. Neither one spoke English. One was a young chap, Vladimir Mazurin, and the other was Nicolai Ostrofsky, who actually was Mr. Schevchenko's assistant, but from a military standpoint he was a captain in the Russian Army. Mr. Schevchenko told me, after we had had dinner and started home—incidentally, he handed me a carton of Camel cigarettes—we started up Niagara Falls Boulevard and he told me he was being recalled to Russia, and while he was gone I was to give any information Nicolai Ostrofsky asked for, I was to give it to Nicolai. He indicated he would be in Russia and would cable Nicolai what he wanted, and I was to give Nicolai any reports from the library, and so forth; and at that time he wanted to know what he could bring me back from Russia, whether a fur coat or jewelry.

Mr. TAVENNER. Did either of those two men contact you at a later time?

Mrs. FRANEY. Neither one came into the library afterward.

Mr. TAVENNER. Do you know anything about those two men now, as to their present location?

Mrs. FRANEY. Vladimir Mazurin went back to Russia before Schevchenko did, and I know eventually Ostrofsky did.

Mr. TAVENNER. As a matter of fact, Schevchenko did not go to Russia at that time, but took employment at Amtorg?

Mrs. FRANEY. Yes. Nothing happened, and in the next few weeks he announced he was leaving Bell Aircraft to go to Amtorg.

Mr. TAVENNER. And what you have told us occurred between you and your husband and Mr. Schevchenko continued while he was at Amtorg?

Mrs. FRANEY. Yes. There was more activity, actually, after he left Bell Aircraft than while he was there.

Mr. TAVENNER. All right.

Now, Mr. Franey, when was the last time you saw Mr. Schevchenko?

Mr. FRANEY. It was in the late fall of 1945. It was about November.

Mr. TAVENNER. About November?

Mr. FRANEY. Yes.

Mr. TAVENNER. And what did he tell you on that occasion?

Mr. FRANEY. That was the occasion that he told me he would have one of his runners come to the Falls, and at that time I told him that the fellow that was there, I said: "Don't forget you told me not to ever give anything to anybody but you, and that is why I didn't give him the camera." He said: "Well, I understood that." He was very, very nervous.

Mr. TAVENNER. Did he tell you at that time anything with regard to his future plans?

Mr. FRANEY. No.

Mr. TAVENNER. Did he endeavor to contact you later, as far as you know?

Mr. FRANEY. No; he did not.

Mr. TAVENNER. That is all for this witness.

Mr. WALTER. Any questions? Mr. Nixon?

Mr. NIXON. I don't think so.

Mr. WALTER. Mr. Velde.

Mr. VELDE. You have mentioned runners. Did he have more than one runner?

Mr. FRANEY. He talked of his runners, but there was only the one man we saw. He was a young chap who came to our home on Sunday afternoon and wanted the "junk," and he spoke very poor English.

Mr. VELDE. You never did get his name?

Mr. FRANEY. Yes; he did tell us his name. I think his name was Vishinsky.

Mr. VELDE. You mentioned, too, that Mr. Schevehenko became nervous and made a statement or gave some indication that "they" were checking. Do you know whom he meant by "they"?

Mr. FRANEY. No.

Mr. VELDE. I will ask you the same question I asked Mrs. Franey: Did he leave you with the impression you were acting on behalf of the Russian Government—realizing, of course, you are a loyal American and were working with the FBI.

Mr. FRANEY. He told me about the compensation laws in Russia and so on, and I snickered under my breath to him and told him that was wonderful and Russia must be a wonderful place to live in, and so on. He went on and told us the awards they received and how they would be sent on vacations, and he said that anyone like me, with my hand being amputated, I would never have to work any more in Russia.

Mr. VELDE. Did he ever indicate to you that he thought he was being investigated by any of our intelligence organizations?

Mr. FRANEY. No.

Mr. VELDE. You said he was very secretive?

Mr. FRANEY. Yes; he was very secretive and very nervous and wouldn't talk in a car or in his home unless he had the radio blasting. The only place he would talk was in the park.

Mr. VELDE. Did he ever state definitely his reason for wanting to talk in the park?

Mr. FRANEY. No.

Mr. VELDE. You say the last time you saw him was in November 1945?

Mr. FRANEY. Yes.

Mr. VELDE. Did he indicate at that time to you that he was intending to leave this country?

Mr. FRANEY. No.

Mr. VELDE. Do you know why he left the country, Mr. Franey?

Mr. FRANEY. Well, only that the leak came out, and he got it just like he got everything else. He had information before the library got it, and he got information from somebody that this leaked out, and that is why he left the country.

Mr. VELDE. Do you know why he was not arrested before he left the country?

Mr. FRANEY. The FBI, when they asked us to cancel the trip, said they got orders from Washington that the State Department wanted to hold this up and appease them a little bit, and asked us if we would cooperate. I told them at that time I was getting sick and tired of cooperating; that the State Department didn't have to face him, that I was the one who had to face him. The agent said they could see my side of it and wouldn't want to be in the same shoes I was in at

that time. But they said after all they got their orders and they had to pass them on to us.

Mr. VELDE. In any event, Mr. Schevchenko escaped the country without ever having been under arrest in this country for violation of the espionage laws?

Mr. FRANEY. That is right. The FBI told us that the New York office wanted to pick him up and the Buffalo office wanted to pick him up, and they told us they couldn't do anything, that their hands were tied, that they just had to go along a little bit longer and hold off a little bit longer. They said they had enough information to pick him up on.

Mr. WALTER. Who were the agents who made those statements to you?

Mr. FRANEY. There were several agents on the case. I don't remember which agent it was. I think we worked with six or eight different agents on the case.

Mr. WALTER. Who were the agents who told you the State Department wanted to hold this up?

Mr. FRANEY. Agent Roberts.

Mr. WALTER. Do you know his first name?

Mr. FRANEY. We called him Buz Roberts.

Mr. WALTER. Any further questions?

Anything further, Mr. Tavenner?

Mr. TAVENNER. Not from these two witnesses. There is another witness.

Mr. WALTER. We will stand in recess until 2 o'clock.

(Thereupon, at 12:10 p. m., a recess was taken until 2 p. m. of the same day.)

AFTER RECESS

The hearing was resumed at 2 p. m., Hon. John S. Wood (chairman) presiding.

Mr. WOOD. The committee will be in order, please.

You may proceed, Mr. Tavenner.

Mr. TAVENNER. Mr. Haas.

Mr. WOOD. Mr. Haas, will you come around here, please, and raise your right hand and be sworn. You solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HAAS. I do.

Mr. WOOD. You may be seated.

Mr. HAAS. I have a request to make. I have a back injury, and I wonder if I might remain standing?

Mr. WOOD. Yes.

Mr. HAAS. Thank you.

SWORN TESTIMONY OF LOREN G. HAAS

Mr. TAVENNER. Will you state your full name, please?

Mr. HAAS. Loren G. Haas.

Mr. TAVENNER. What is your age?

Mr. HAAS. Thirty-two.

Mr. TAVENNER. Where do you live?

Mr. HAAS. Buffalo, N. Y.

Mr. TAVENNER. Will you give us just a brief statement of your employment record?

Mr. HAAS. At present I am associated with the Fredric Flader Corp. We are air and power research engineers, and perhaps we are one of the most advanced organizations of this nature in the country. I have been with them about $2\frac{1}{2}$ years. Prior to that I was with Westinghouse Electric Corp. in their South Philadelphia works at Lester, Pa.

My activities at the Westinghouse Co. consisted of working with and developing gas turbine engines. The term applied is the turbo-jet engine. In that organization I was the director of engineering training, and I was employed prior to that as a test engineer.

Prior to the Westinghouse occupation I was employed by Bell Aircraft Co. as an engineer, training service engineers and technicians.

That is a brief résumé of my employment.

Mr. TAVENNER. When did your employment begin and end with Bell Aircraft?

Mr. HAAS. I don't recall the exact beginning. It was perhaps late 1942 or early 1943. It terminated in March 1945. I subsequently worked for the Westinghouse Co. for a period of time until November 1946.

Mr. TAVENNER. Will you examine this photograph, please, and state if you can identify the person?

Mr. HAAS. This is Andrei Schevchenko. Mr. Schevchenko was the Russian representative at the Bell Aircraft Co. while I was in their employ.

Mr. TAVENNER. What do you mean by the "Russian representative"? In what way was he representing the Russian Government at that plant?

Mr. HAAS. Perhaps in all aircraft and other wartime industries where a foreign nation was involved and had anything to do with the purchase, in one form or another, of the equipment being manufactured, there would be a representative of that foreign nation who would be in reality, the liaison between the manufacturer and the recipient.

Mr. TAVENNER. Did your work bring you in contact with Mr. Schevchenko?

Mr. HAAS. Yes. In 1943 I had to train a number of Russian pilots and technical personnel who spoke no English, and I was introduced to Mr. Schevchenko through that particular assignment. The training of these men was done through Mr. Schevchenko, he being the interpreter.

Mr. TAVENNER. Will you state to the committee what proposals were made by Mr. Schevchenko to you regarding information concerning the aircraft business?

Mr. HAAS. That question perhaps requires a little bit of background, sir, and to answer it directly would leave out something, perhaps, quite important.

Mr. TAVENNER. Go ahead, then, in your own way.

Mr. HAAS. While I was with Bell Aircraft Co. I was dealing primarily with power plants, and at that time the majority, in fact all, of the aircraft used during the war contained power plants of a very conventional nature, which we are all familiar with. They were blown-

up models of the engines in our automobiles. They did, however, require excessive power.

In order to obtain an additional amount of power out of these aircraft engines, a system was devised to supplement the normal cooling ability of gasoline by the injection of water. But for perhaps 6 or 8 months or a year there was a tremendous amount of difficulty with that water injection system. The system was ideal in theory. It permitted abnormally high powers to be obtained from a much lower rated engine. This water-cooling system deficiency was one reason that Mr. Schevchenko and I became close friends.

I had, while at the Bell Aircraft Co., a little liberty, and in my spare time did work on this malfunctioning of the system. Finally I realized a remedy for the difficulty and tried it out on what we refer to as a working model, with every condition of flight simulated, and to my satisfaction it was successful.

Shortly after that I was asked to give a discussion of this particular system to members of the Russian Government, the management of the Bell Aircraft Co., and the engineering department. In the course of the discussion, after the usual routine of descriptive matter had been terminated, the Russians were desirous of knowing why this particular system was not doing all that it was supposed to do; and having experimented with it, I felt I did know why, and I told them why I thought it was not acting as it should, and how it could be remedied.

Unfortunately, this brought perhaps a little bit of frowning from the management, since it was proposed to them previously by me that it be incorporated. I had tried the scheme out—it was a 25-cent remedy—and it worked on an airplane. An Army test pilot had flown an airplane on which this equipment had been installed, and voiced satisfaction with it.

So when the Russians asked whether it would work on an aircraft, I could reply affirmatively. Then they insisted on knowing why it wasn't on their airplanes, and they became quite loud about it, and insisted there be no more airplanes shipped to their Government unless it was incorporated.

This situation that I found myself in at that time was one, perhaps, which the Russians did take advantage of. They knew that I was, roughly, on the "outs" with my employers, and a potential source of information.

Now this, as I will mention in a few minutes, did develop. In addition to this scope of the subject, I had been interested in and working with the first jet propulsion engine in the United States at the General Electric Co., so my knowledge of engines was not only one of the conventional engine, but one of the engine of the future. This the Russians knew, for I had been at the General Electric Co. for some months. This is something I inadvertently overlooked mentioning to the committee, but I feel they will forgive me.

A friendship then developed between Mr. Schevchenko and myself. At first it was merely one of "How do you do" and so forth, and in our many discussions always the subject of power came up; always the Russians wanted more power.

I had, in this discussion that I recall, told them of a scheme by which I thought I could utilize scrap materials to give them extra power. I had approached our own engineers, our own managers, on

the subject, and met with frowns again. I am not making excuses; I am merely stating facts. This little gadget was a modification of a turbo-supercharger, and would up the speed of an aircraft perhaps 50 miles an hour. Two would probably up the speed 75 miles an hour. I thought it was a wonderful idea to be interested in, and Mr. Schevchenko was also interested.

We subsequently went out to dinner and talked over the subject. He proposed buying it and asked me to put a figure on it. When I discussed the matter with my wife we both realized that if it were ever culminated it would be illegal, but we talked more from the standpoint of a joke, so we said: "Let's make a figure that will really knock his eyes out." On that basis I asked him for \$500,000. He was not amazed at all, and was very sincere. However, he said he was not the sole judge of whether or not they could afford to buy it, but he would have to contact a Colonel Pisconoff in Washington. I don't know how you spell it [Pisconoff].

Colonel Pisconoff did come to the Bell Aircraft Co., and I did meet him. Very little was said about it and no details were ever given, but finally Mr. Schevchenko related to me that they thought the price was too high and that perhaps it would involve too many complications.

One thing that was quite interesting about it was the fact that when I brought up the subject "How can you do it? How can you build it without my helping you?" he assured me he would have no difficulty whatever in getting me transferred to Russia; and that there would be no difficulty in bringing into the country the moneys involved; in fact, there were no difficulties associated with it.

Mr. TAVENNER. Did he state to you how he proposed to have you transferred to Russia?

Mr. HAAS. Not at that time, but later I found out. His version of it was that his influence in this country was of such nature that it was quite weighty, and that his mere request was sufficient to accomplish such a deed as that. Later I did find out that the moneys involved were a very simple matter of diplomatic immunity. I don't know what that all involves, and I won't attempt to go into it.

Mr. TAVENNER. Proceed.

Mr. HAAS. These two items, the appearance in my employer's eyes of being not too strong, let us say, coupled with the willingness on my part to, let us say, sell such a device, apparently put me in very good light with Mr. Schevchenko.

During this period, which was in 1944, we were in constant social company. No direct acts of espionage had occurred other than if we should like to call what I have just related espionage, and in reality I don't believe it was.

Our subsequent meetings were observed by the Federal Bureau of Investigation, and I was then contacted, since they had been observing him.

The Federal Bureau explained to me their suspicions of him and requested my continued friendship with Mr. Schevchenko, with the thought that perhaps he would eventually approach me from the espionage angle, and later this did prove to be so.

In late 1944, Mr. Schevchenko informed me of his future breaking off with the Bell Aircraft Co., and told me he was to be the director of the Amtorg Corp., being in complete charge with the exception of one man

in an advisory capacity. The Bell Co. at this time was a little bit slow, perhaps, we might say, in accomplishing work which I had set out as my goal, that is, continued work with gas turbines. They did make the first jet airplane, but it looked like the future with that company at that time was not along those lines. So Mr. Schevchenko requested of me, with my previous knowledge of gas turbines, to try to locate in an organization where I could further this end. With still no idea of espionage in mind, I did that. I sought and found employment with the Westinghouse Electric Co., and was fortunate in obtaining a position as test engineer.

At that time this organization was perhaps the furthest advanced in gas turbine engines, since they were the forerunners in development of what is referred to as the axial-flow type of compressor, and this type has been the forerunner of today's most powerful engines. So in reality that was a most opportune position for anyone working with the Russians to be in.

I moved to Philadelphia and started my contacts with Mr. Schevchenko. The first contact we had—I have a reference here in a little book that I kept—was March 18, 1945. This date actually was the one on which he approached me from the standpoint of obtaining for him highly secret turbo jet engine data, drawings, reports, and other pertinent information. This I agreed to do, upon the previous advice of the Federal Bureau.

I will sum up and then come back to important items in my discussion.

From March until late November 1945 innumerable exchanges of microfilm were made with Mr. Schevchenko. The material was all screened by the Bureau of Aeronautics and the Federal Bureau of Investigation before it was handed to him.

And now I would like to bring out some points that I have not touched before. Mrs. Franey's testimony involved a list of information of various natures requested by Mr. Schevchenko. I would like to have that, if I may.

Mr. TAVENNER. The witness now has in his hands Franey Exhibit 1¹.

Mr. HAAS. I should like to try to tie this together with a few things that I have not yet revealed. First of all I would like to read off a few items on these sheets and show you how they may tie in with my contacts.

Here is one, "Swept-Back Wings at High Velocities"; and "High-Speed Measurements on a Swept-Back Wing (Swept-back angle 35°)"; "A Summary of Drag Results from Recent Langley Full-Scale-Tunnel Tests of Army and Navy Airplanes"; "Landing Gear Design Considerations"; "Thermal Requirements for Aircraft Cabins"; "Wing Plan Forms for High-Speed Flight." There is no need for me to go on, because I will tie them in now.

Mr. Schevchenko told me in one of our many meetings, which were of quite some duration, that he was here for one purpose: He was a competitor in a contest the prize of which was 500,000 rubles. The objective of the contest was the complete design of an ultrahigh-speed aircraft powered by jet propulsion.

Mrs. Franey mentioned a man by the name of Vladimir Mazurin. Mr. Schevchenko told me Vladimir Mazurin was the most outstanding

¹ See pp. 127 to 128.

stress engineer in Russia, and was helping him in his work. His work had a deadline, the end of 1945. He had to accomplish a complete aircraft design in detail, both the structure and the engine, complete with drawings and reports, before that date. I doubt whether he did this.

The data which we gave Mr. Schevchenko while I was in Philadelphia was of such a nature as to be greatly misconstrued, misleading, and entirely wrong. This might seem rather difficult to put across with a man like Schevchenko, but it is my personal opinion that while he was a very intelligent and learned man, the job he was tackling was a job for not one man, but perhaps an entire company, and he tried to do it all. Naturally he did have help, alleged help.

On our many meetings—I suppose I should not bring this out—the Russian was an excessive drinker, and perhaps there had to be some doubts in his mind as to my sincerity, and on these occasions we would drink together, and regardless of how much a man can drink, his senses do become numbed. It was during these, let us say, numbed periods that Mr. Schevchenko did reveal information to me such as that which I have just related about the prize, or, as he called it, the bonus, which he would obtain.

He put it this way: "You should make no bones about helping me." And he used this approach: "I am a Russian, that is true, and you are an American; but we can't let nationalities interfere with progress. Scientists must be international." And that viewpoint does exist with many scientists, I do believe.

However, the scope of his work, which involved information from Mrs. Franey, is of this magnitude: Today our best aircraft, our most recent aircraft, is the Lockheed F-90. It has 35° swept-back wings. It is powered with engines as he wanted them then in the development stage. If Mr. Schevchenko had been able to gather this information and consummate it in such a way, and had the help to do it, 4 years ago the Russians could have had the aircraft which we have today. That is why this information on this list was requested. Here it was 4 years ago, but only today is it being made use of.

I think perhaps you should ask me some questions.

Mr. TAVENNER. Over how long a period of time did Mr. Schevchenko contact you with reference to this type of information?

Mr. HAAS. Perhaps 9 months to a year. It started in March 1945 and ended at the end of 1945.

Mr. TAVENNER. What was the last occasion on which you saw him?

Mr. HAAS. Toward the end of 1945, as has been related to you, Mr. Schevchenko was of a highly suspicious nature. I doubt whether he mistrusted me too much, but he did become quite alarmed at various incidents that were occurring. He did observe that he was being followed. He was a master at deception in losing anyone who was on surveillance with him. However, the excitement that he showed was one more or less of sensing rather than direct knowledge. Most Russians, I believe, who deal with work such as Mr. Schevchenko had, are of a nature so as not to show emotion; and Mr. Schevchenko never showed a facial emotion, even though he was highly nervous, I believe.

Mr. TAVENNER. You spoke of the transfer of 35-millimeter film. Tell us more about how that was done.

Mr. HAAS. In early 1944, perhaps it was May, Mr. Shevchenko presented me with a late model Leica camera. The Leica was at

that time, and perhaps still today, is considered to be as fine a camera as one could want for manuscript work. He versed me in the operation of the camera, showed me how to use it, the settings required for document reproduction, the techniques employed, and the reason was the microfilming of pertinent information on the development of gas turbine engines, both drawings, manuscripts, and reports.

This information I was expected to gather, and I was in just the position where I was able to do that. Mr. Schevchenko knew I was in charge of training, and anyone in charge of training naturally has to have the information for himself available. He was very pleased when I obtained that training job, because it put me in a much better position to exchange information with him.

The microfilm work was all done at the Federal Bureau offices by their experts, and none of it was done in my home. Each time there was a package of information available, I would take it to New York, and, as in the case of the Franleys, there would be entertainment and an exchange of money. The money then was turned over to the Bureau and the serial numbers recorded, or whatever the procedure was.

A point that is interesting in the source of Mrs. Franey's paper is this: During one of our exchanges Mr. Shevchenko was rather bragga-docious and related that he was well acquainted with the presidents of leading organizations in our country, and he named several; that he had dinner with them and that they told him about their projects.

Naturally, in the course of our discussions, Mr. Schevchenko, being an aeronautical engineer, was well acquainted with aircraft. He was up to date. He knew items of interest that were secret, which only those involved in the development of the same would know. He knew of a jet engine manufactured by the General Electric Co. before it was released for any source of publication. In fact, it was in the secret stage.

I believe I have summarized the objective of Mrs. Franey's contact. The items he requested were all vital to the accomplishment of his duty or his goal. All these items in this list pertain to the fulfillment of that contest, and his contact with me merely fulfilled the details of the power plant. There is no need for me to relate the importance of what would have happened if he had obtained this information as he desired. Mr. Schevchenko was one man in a contest. There must have been others, because he was very interested in getting all his information at the most ideal source and at as great a speed as he could.

Mr. Schevchenko's position in Amtorg—to my knowledge he was an important man in that organization—provided him with contacts that a normal engineer, American or Russian, did not have. The Russian Purchasing Commission offered a potential outlet for peacetime equipment, and members of various organizations in our country would actually cultivate a friendship with a man of that stature, and in the social aspects of their meetings it is readily seen how they could divulge to him innocently information that they were working on.

Mr. TAVENNER. In these requests made by Mr. Schevchenko to you for specific reports or information, did he indicate a knowledge of the existence of those reports prior to the time that you showed them to him?

Mr. HAAS. No. It was different in this case. In development work of an organization, the only leaks could have been through the organization, and with the Westinghouse Co. there occurred only once a leak, and it did apparently originate somewhere. I may explain that a little bit. Any company engaged in development, it is not really a secret business. It is amongst the public and other manufacturers; to them it is all highly secret, they have no knowledge of it. But Government sources who work with aircraft and engine companies all work to help them along. They will take components or parts of an engine, for instance, that is being developed, and help develop it. Let us take high-speed measurements on a swept-back wing. Such work could have been done in a wind tunnel in the NACA laboratories in Cleveland. They then issue a report, and that report still is very confidential and is limited in its distribution to perhaps leading engineers involved in its use. But in the case of this Westinghouse engine, I was the source, and not a good source but in no other than one case was there previous knowledge of the work involved.

Mr. TAVENNER. I have not asked you the direct question as to how many contacts you had which involved the delivery of information to Schevchenko.

Mr. HAAS. The exact number of times I can't say, but there must have been at least a dozen.

Mr. TAVENNER. Did he make payments of money or other types of compensation for each of those deliveries of information?

Mr. HAAS. Mr. Schevchenko did pay money in values of \$100 or \$200. In many of the cases of the contacts there was no information. It can readily be seen, the difficulty of screening truly secret information. It must go through proper channels. For instance, if I was there one week end and he had requested my presence within 2 weeks, I would attempt to stall him at least 3 weeks in order for that information to be cleared and doctored and prepared; and in some cases it was impossible to obtain the information. It was a matter of not making excuses, but preparing him for something much better than if you had been there at the desired time.

Mr. TAVENNER. When Mr. Schevchenko left for Russia, did he leave any instructions as to what should be done with other information which you might obtain?

Mr. HAAS. My final contact attempt was one in which, some time prior to Christmas 1945, Mrs. Haas and I were entertained by Mr. and Mrs. Schevchenko, and the man was very much aware of being followed and, as was mentioned before, was in a somewhat disturbed state. At that time he did ask me if I had been contacted by the Bureau, and then he suggested that Mrs. Haas bring the next microfilm to New York. This was frowned upon by the Bureau.

Mr. VELDE. By "Bureau" you mean—

Mr. HAAS. The Federal Bureau of Investigation. And she was not permitted to go alone. There is an interesting sidelight to this trip she might have taken. The pay-off was to be a little different. Instead of a cash pay-off such as had been obtained in the past, she was privileged to go shopping with Mrs. Schevchenko, and, being Christmas time, all her Christmas shopping was going to be done on the Schevchenkos. There is no telling where that might have led. However, she didn't go, and our next contact with Mr. Schevchenko was in the

form of a Christmas card telling us that he was going to Russia for his health and would return in May of the following year and would contact me at that time.

Mr. TAVENNER. Where did you make your contacts with Mr. Schevchenko in New York?

Mr. HAAS. All of the places?

Mr. TAVENNER. Yes.

Mr. HAAS. Mr. Schevchenko and I, we did get around. He made no issue of having one rendezvous, but we would meet usually at his apartment and then go out to various places of entertainment, and we would either exchange it under the table in a very shrewd way, or while we were walking in a crowded subway. Oh, there was a multitude of ways in which we did it.

Mr. TAVENNER. Where was his apartment?

Mr. HAAS. 4 West Ninety-third Street, apartment 3-D.

In that time of war there were scarcities, among which were cigarettes and good Scotch. Mr. Schevchenko's apartment lacked nothing. He had a complete array of liqueurs and cigarettes and food and money. He had everything one could desire.

Mr. TAVENNER. You spoke of meeting Colonel Pisconoff. Did you ever see him after that occasion when Mr. Schevchenko brought him to Bell Aircraft?

Mr. HAAS. No. But he did at the time regard Colonel Pisconoff as the man who might have the final say on something involving an amount such as was requested.

Mr. TAVENNER. Mr. Chairman, that is all I desire to ask this witness now.

Mr. WOOD. Any further questions? Mr. Walter?

Mr. WALTER. No.

Mr. WOOD. Mr. Velde?

Mr. VELDE. On those occasions when you visited with Mr. Schevchenko in New York, did he introduce you to any of his friends other than this Colonel Pisconoff?

Mr. HAAS. No.

Mr. VELDE. Did you ever exchange any of these microfilm with him in his own apartment?

Mr. HAAS. Oh, yes.

Mr. VELDE. Did he ever leave you with the impression that he knew he was being followed by the Federal Bureau of Investigation, or being investigated?

Mr. HAAS. Yes, he did. I recall one occasion, the Bureau had rented—I won't mention the exact place—an apartment with a good view of Mr. Schevchenko's apartment, for the purpose of obtaining moving pictures of my entrance and whatever they could through the window, and our exit, which usually did transpire. That particular day I believe he did know they were there. He first kept looking over at the point where they were stationed, and finally, in a very disgusted manner, he pulled down the shades. So at that time I believe he was well aware of his being followed.

Mr. VELDE. You mentioned earlier that you didn't think an act of espionage had been committed by Mr. Schevchenko up to a certain point. Will you explain that further?

Mr. HAAS. Yes. While I was with Bell Aircraft Mr. Schevchenko had not requested any information of such a nature that was restricted or confidential. The particular item on which the fabulous sum was set was an item which was already in the hands of the Russian people. At that time they had in their custody quite a number of obsolete B-17's. All of those B-17's had turbo-superchargers on them.

Mr. VELDE. You mean they had this gadget you had invented on them?

Mr. HAAS. No. They had the components for the gadget. It required merely a rearrangement of parts and a few minor annotations to fulfill it.

Mr. VELDE. He made you an offer for some information which you had concerning a certain gadget you described as a 25-cent gadget. Was this gadget a secret?

Mr. HAAS. No. This is a separate item, this one that you refer to. That was the one I mentioned in the beginning of my discussion. That one was merely a modification for a malfunctioning part to an airplane which they were buying in quantity. He offered no money for that.

Mr. VELDE. I thought you said he had asked you to put a price on something.

Mr. HAAS. That was the second item I mentioned. There were two items. One was the item which caused concern over the stoppage of delivery of aircraft. That was the 25-cent item which modified a malfunctioning part. The second item was the one in which I proposed to increase the speed of aircraft by the rearrangement of materials which they already had.

Mr. VELDE. Was that prior to your contacting the FBI, or afterwards?

Mr. HAAS. I believe they coincided one way or another. I don't recall.

Mr. VELDE. Do you feel he had committed an act of espionage, or was engaged in a conspiracy to commit an act of espionage, after that?

Mr. HAAS. Definitely.

Mr. VELDE. He never was arrested?

Mr. HAAS. No. I am glad you brought that up. This is something which I have not prepared, and, frankly, I haven't prepared any of it, but it is something I would like to discuss for just a moment.

The Frameys and myself and my wife, when this started we were just four of millions of people in this country, and through, probably, circumstances, we became involved, and for at least a year we were subjected to, let us say, the trials and tribulations, as I suppose any woman would say, of dealing with a character who was a potential murderer and thief. There were reports in the paper along about that time referring to the Amtorg Corp. as being headquarters for this association referred to loosely as NKVD. They were supposedly

in the same headquarters with Amtorg, and Mr. Schevchenko was supposedly in charge of Amtorg. Anyone could put two and two together and it would involve a degree of restlessness.

I feel, and I am sure the Franleys feel, that Schevchenko was not merely a Russian, but a potential murderer and thief. His obtaining the information he desired to obtain from Mrs. Franey and myself would give the Russian Government, if they were ever an enemy and not an ally, the weapons with which to murder us. That made him a murderer. And if they won out, they would take everything away from us, and that made him a thief as well.

The part that we played was perhaps not too dangerous, and it was exciting, and anyone would have done it, but what I would like to bring out is: How many times would I have done it? Frankly, with the outcome that we have had in these circumstances, I wouldn't have done it again.

If, in good faith, you help, say, this Government of ours, with a goal of doing a good deed and helping to restrain an individual such as Schevchenko, and then, when things have worked up to a point where you feel "It has to end now, there is nothing else we can do," you are told by the Federal Bureau that they have an airtight case, and then when you ask "When is it going to stop, when are we going to bring this man up for trial" you are passed off with such answers as "Well, Mr. Byrnes of the State Department says we can't touch him"—perhaps I shouldn't say that.

Mr. WALTER. Who told you that?

Mr. HAAS. Members of the Federal Bureau of Investigation.

Mr. WALTER. Who were they?

Mr. HAAS. That is so long ago I can't remember.

With those thoughts in mind, frankly, I don't think many people would become involved if they thought it was for naught.

It is true there was a degree of learning involved. We met people. We met people that we normally never would have met. The FBI men, I had them pictured as gun-toting men and the like. We never would have met Congressmen or committees.

Mr. WOOD. Any further questions?

Mr. TAVENNER. That is all.

Mr. WOOD. Do any members of the committee have any questions? (No response.)

Mr. WOOD. Thank you very much, Mr. Haas.

Mr. TAVENNER. There are some questions, Mr. Chairman, that we want to ask him in executive session, for the reasons I mentioned.

Mr. WOOD. Are there any other witnesses for the open session?

Mr. TAVENNER. No, sir.

Mr. WOOD. The committee will go into executive session.

Mr. TAVENNER. It might be well to make a public statement of the reason for it, otherwise it might be misconstrued.

Mr. WOOD. For purposes of not hampering further investigations of the committee, it is desired to go into executive session to ask further questions.

(Whereupon, at 3:15 p. m., the open session was concluded.)



Franey exhibit 1

Class	Title	Source of report and report No.
To be classified.	Swept-Back Wings at High Velocities.....	German Bericht 127. Translated into English. German Report FBI1813.
Do.....	High-Speed Measurements on a Swept-back Wing (Swept-Back Angle, 35°).	
Secret.....	Cabin Air Conditioning System of a Typical Jet-Propelled Fighter Airplane.	AIR Research Manu. Company Proposal Number B-12.
Confidential.....	A Summary of Drag Results from Recent Langley Full-Scale-Tunnel Tests of Army and Navy Airplanes.	NACA ACR L5A30.
Restricted.....	Landing Gear Design Considerations by James A. Hootman.	NACA 3D30.
Do.....	Drag Determinations of the Forward Component Tricycle Landing Gear.	NACA T. N. 788.
Unclassified.....	Thermal Requirements for Aircraft Cabins.....	Air Technical Service Command, Wright Field. TSEAL-3-695-56. NACA L5G30.
Confidential.....	Comparative Drag Measurements at Transonic Speeds of Rectangular and Swept-Back NACA 651-009 Airfoils Mounted on a Freely Falling Body.	
Do.....	The Characteristics of a Tapered and Twisted Wing with Sweep-Back.	British R & M 1226.
Do.....	A General Solution of the Problem of the Glauert Loading of Wings with Discontinuities of Incidence.	Report 7629 Ae. 2605.
Do.....	Wing Plan Forms for High-Speed Flight.....	NACA L5G07.
Unclassified.....	The Influence of Sweep on the Spanwise Lift Distribution of Wings.	Journal of Aero. Sci. March 1943, pp. 101-104.
Do.....	Monoplane Wings with Sweep (Theoretical Calculation of the Spanwise Lift Distribution).	Aircraft Engineering, August 1938 issue, pp. 245-247.
Restricted.....	Theoretical Distribution of Load Over a Swept-Back Wing.	NACA Report, dated October 1942.
Secret.....	Athodyd Thrust.....	General Electric Data Folder 26691.
Do.....	Performance Comparison Between a Gas Turbine-Propeller Power Plant and a Gas Turbine-Jet Propulsion Unit Installed in a High Speed Fighter Airplane.	Curtiss-Wright Re. 911A.
Unclassified.....	A Method for Estimating Gas Turbine-Jet Airplane Performance.	AAFTR 5193.
Secret.....	Manufacture of Blades for Junkers Turbo-Jet Unit.....	British Re. A.1.2 9.5.44 (issued from Wright Field). Brown Boveri Review, November 1941 Issue, pp. 356-361 (French).
Unclassified.....	The End Losses of Turbine Blades.....	NACA SC10.
Confidential.....	A Metallurgical Investigation of a Large Forged Disc of 19-9 DL Alloy.	
Do.....	Heat Resisting Metals for Gas Turbine Parts N-102.....	Nat'l. Def. Res. Com., Office of Sci. Res. and Dev. M-16.
Unclassified.....	Investigation of Blade Characteristics—Performance and Efficiency of Turbine and Axial-Flow Compressor Stages.	Trans. of A. S. M. E. July 1944 issue, pp. 413-480.
Confidential	Compilation of Current Data on Selected Alloys Suitable for High Temperature Service in Gas Turbine and Supercharger Parts.	Nat'l. Def. Res. Com., Office of Se. Res. and Dev. M-12.
Unclassified.....	Vibration Studies on Turbine Blades.....	From German Publication Motortechnische Zeitschrift.
Secret.....	Cabin Pressurization and Conditioning Systems for Jet Propelled Aircraft.	Wright Field Eng. Data Report TSEPL-5-522-272.
Confidential.....	Ram Jet Power Plants.....	Manual No. 237. ¹
Do.....	Fuel Systems for Jet Propulsion.....	Manual No. 218. ¹
Restricted.....	The Intermittent Jet Engine.....	Manual No. 241. ¹
Confidential	Tests at Transonic Speeds of the Effectiveness of a Swept-Back Trailing-Edge Flap on an Airfoil Having Parallel Flat Surfaces, Extreme Sweepback and Low Aspect Ratio.	NACA L5H01.
Do.....	The Calculation of Aerodynamic Loading on Surfaces of any Shape.	British R & M 1910.
Do.....	An Interim Report on the Stability and Control of Tailless Airplanes.	NACA LAII19.

The following reports are prints of 35-millimeter microfile taken by either United States Army or Navy personnel.

Class	Title	Source of report and report No.
Top secret.....	Performance of Ram Jets with Negligible Velocity in Combustion Chamber.	FW Rep 90-040. ²
	Design of Ram Jets.....	FW Rep 09-041. ²
	Preliminary Reports on Tests of the FW Ram Jet in Wind Tunnel A9 of the LFA.	FW Rep 09-045. ²
	Stability Considerations for Swept-Back Wings.	UM3151.
	Extent of the Laminar Boundary Layer on a Swept-Back Wing.	FB 1626.
	Three Component Measurements on a Swept-Back Wing with a Split Flap.	FB 1913.
	Tests on a Partially Swept-Back Wing with Varying Dihedral.	FB 1458.
	Contributions to the Investigation of Swept-Back Wings.....	FB 1501.
	Measurements of Pressure Distributions on Swept-Back Wings.	FB 1553.
	Lift Distributions on Swept-Back Wings.....	

¹ Prepared for the commander in chief, United States fleet, by members of Jet Propelled Missiles Panel of Office of Scientific Research and Development. Reports forwarded to Bell Aircraft by AAF Air Technical Service Command (TSEPL-5), Wright Field, Dayton, Ohio.

²Focke-Wulf.

X

16



BOSTON PUBLIC LIBRARY



3 9999 05018 349 8

